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FISCAL IMPACT STATEMENT

LS 6923

BILL NUMBER: SB 415

NOTE PREPARED: Mar 25, 2013

BILL AMENDED: Mar 25, 2013

SUBJECT: Department of Health Matters.

FIRST AUTHOR: Sen. Miller Patricia

FIRST SPONSOR: Rep. Frizzell

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires local boards of health to apply to the Indiana State Department of Health (ISDH) for funding from the Indiana Local Health Department Account (Account). The bill changes the distribution of funds from the Account to the ISDH. (Current law provides that the Auditor of State distributes the funds.) It also directs distribution of the payments to the local boards of health. (Current law provides that the funds are distributed to the counties.)

The bill allows the ISDH to create a nonprofit subsidiary corporation.

Beginning July 1, 2015, the bill requires certain providers to report immunization data to the immunization data registry within 72 hours after giving an immunization, and allows for disciplinary sanctions for failure to report the immunization to the registry. (Under current law, reporting is voluntary.)

The bill requires the Health Finance Commission to study certain issues concerning the reporting of immunization data.

Effective Date: (Amended) Upon passage; July 1, 2013.

Explanation of State Expenditures: *Indiana Local Health Department Account Provisions-* The bill will transfer responsibility for distributing funds from the Local Health Department Account from the Auditor of State to the ISDH. The bill establishes a first-year process to distribute the funds and requires a semiannual distribution. This provision would have minimal impact on either agency.

The bill requires the ISDH to design an application for the local health departments' use in applying for the funding. It also would require the ISDH to review and approve the use of the funds proposed in the application. The ISDH should be able to perform these tasks within the current level of resources available.

(Revised) *Children and Hoosiers Immunization and Registry Program (CHIRP) Provisions*- Effective January 1, 2015, a licensed provider who administers immunizations would be required to report immunization data to the CHIRP within seven business days unless a patient or a parent or guardian of a patient under the age of 19 has completed and filed an exemption form or the patient is a resident of a long-term care nursing facility.

(Revised) *Rules*: Current Board of Pharmacy rules allow pharmacists to report immunizations to the CHIRP and would require modification to require the use of the CHIRP. The required revision should be able to be accomplished within the current level of resources available to the IPLA and the Board of Pharmacy.

(Revised) *Health Finance Commission Study*: This provision should have no additional impact to state expenditures unless additional meetings were held. The Commission would be limited to the budgetary limits set by resolution of the Legislative Council.

(Revised) *ISDH Nonprofit Subsidiary*: If a subsidiary corporation is established, it will be governed by a board of directors appointed by the Governor, and employees of the office will provide administrative support.

(Revised) *State Board of Accounts (SBOA)*: The SBOA must annually audit the subsidiary corporation if it is established. The cost to the SBOA to provide staff to examine the accounting records of the subsidiary corporation is indeterminable and would depend on the number of days the SBOA would need to conduct the examination. However, the SBOA would be eligible for reimbursement of expenses.

Explanation of State Revenues: (Revised) *ISDH Nonprofit Subsidiary*: The ISDH may establish a nonprofit subsidiary corporation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code to solicit and accept private funding, gifts, donations, bequests, devises, and contributions. The amount of money that could be donated to the corporation is indeterminable.

Explanation of Local Expenditures: Local health departments would be required to apply for the distribution before October 1 of each year, except in the first year when applications would be required to be submitted by June 1, 2013.

Explanation of Local Revenues: *Indiana Local Health Department Account Provisions*- The bill requires the ISDH to make the semiannual distribution to local boards of health. (Current law requires the distribution go to the counties.) ISDH is required to allocate the available funds to each local health department that has submitted an application and that has been approved by ISDH. Since the allocation formula has not changed, the amount of money designated for each county would not change. However, if a local health department did not apply for, or have an approved application, no distribution would be made for that county.

Lake County: The bill does not change the allocation formula on a county basis, but it could potentially affect the distribution of funds within Lake County, which includes more than one local health department (Lake County, East Chicago, and Gary). The bill requires ISDH to distribute the allocation for Lake County to the department or departments with approved applications. If all three Lake County health departments have approved applications, ISDH is to allocate the available funds on the basis of population served by each. (Under current law, the county fiscal body determines the allocation of the funds within the county.)

State Agencies Affected: ISDH; Auditor of State; State Board of Accounts.

Local Agencies Affected: Counties and local departments of health.

Information Sources:

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